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OF COUNSEL
URBAN A. LESTER

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RECEIVED
SURFACE TRANSPORTATION
BOARD

October 10, 1996

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Lease Amendment No. 1, a Bill of Sale and a Certificate of Acceptance, all dated as of February 29, 1996, all secondary documents as defined in the Board's Rules for the Recordation of Documents.

The enclosed documents relate to the Lease of Railroad Equipment which was previously filed with the Commission under Recordation Number 13588.

The names and addresses of the parties to the enclosed documents are:

Lease Amendment No. 1

Lessor: BA Leasing & Capital Corporation
555 California Street
San Francisco, California 94104

Lessee: Dow Chemical Company
2020 Dow Center
Midland, Michigan 48674

Counterparts - E. M. Lin

Mr. Vernon A. Williams
October 10, 1996
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Bill of Sale
and
Certificate of Acceptance

Seller/Lessee: Dow Chemical Company
2020 Dow Center
Midland, Michigan 48674

A description of the railroad equipment covered by the enclosed documents is:

twenty (20) railcars within the series DOWX 3910 through DOWX 3933

Also enclosed is a check in the amount of \$66.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

RECORDATION NO. 13588-G

LEASE AMENDMENT NO. 1

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INTERSTATE COMMERCE COMMISSION

This LEASE AMENDMENT NO. 1 (the "Amendment") dated as of February 29, 1996 to the LEASE OF RAILROAD EQUIPMENT dated as of February 15, 1982 recorded with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on March 4, 1982, at 10:55 a.m., recordation number 13588-B ("Lease") between The Dow Chemical Company as Lessee and BA Leasing & Capital Corporation (as assignee of Security Pacific Equipment Leasing, Inc.) as Lessor.

WHEREAS, Lessor has also entered into: (i) a Participation Agreement dated as of February 15, 1982 among Lessor and Lessee; Security Pacific Corporation as Guarantor; The Bank of New York, successor to Mercantile-Safe Deposit and Trust Company as Agent; and The Travelers Insurance Company as Investor; (ii) a Conditional Sale Agreement dated as of February 15, 1982 between BA Leasing & Capital Corporation as assignee of Security Pacific Equipment Leasing, Inc. as Vendee, and each of ACF Sale Corporation, General American Transportation Corporation, and Union Tank Car Company; (iii) an Assignment of Lease and Agreement dated as of February 15, 1982 between Lessor and The Bank of New York, successor to Mercantile-Safe Deposit and Trust Company as Agent; (iv) an Indemnity Agreement dated as of February 15, 1982 between Lessor and Lessee, and (v) various other related documents (the Lease and the documents listed in (i) through (v) together, the "Operative Agreements").

WHEREAS, Lessee has requested Lessor to amend the Lease to allow Lessee to substitute certain railcars for railcars currently subject to the Lease;

WHEREAS, Lessor is willing to so amend the Lease, subject to receipt of consents, approvals, instruments and other documents described in the Operative Agreements, if any are required, and to fulfillment of all the terms and conditions of this Amendment;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is HEREBY AGREED that the Lease is hereby amended, effective as of the date first set forth above, as follows:

SECTION 1. Definitions. Capitalized terms used herein shall have the respective meanings assigned thereto in the Operative Agreements.

SECTION 2. Conditions Precedent. Lessor's obligation to enter into this Amendment is subject to fulfillment or waiver by Lessor of each of the following conditions:

(a) evidence that all consents necessary or advisable with respect to amending the Lease, including without limitation consents of the Agent, the Original Investor and any subsequent Investors, have been received and are satisfactory to Lessor;

(b) Lessee's payment of all reasonable legal fees and expenses, filing fees and other reasonable out-of-pocket expenses incurred by Lessor or Agent in connection with this Amendment;

(c) certificates of the Secretary or Assistant Secretary of Lessee as to the incumbency of Lessee's signing officers; and

(d) such other documents or instruments, including an opinion of counsel, as may be reasonably requested by Lessor.

SECTION 3. Amendment to the Lease. A new §22 is hereby added to the Lease as follows:

§22. Substitution of Equipment. So long as no Event of Default shall have occurred and be continuing, Lessee shall have the right, subject to Lessor's prior written consent, to be exercised upon at least 30 days' prior written notice to Lessor, to substitute for any Unit then subject to this Lease any item of equipment having a value, utility and remaining useful life at least equal to, and being in as good operating condition as, the Unit to be replaced, assuming such replaced Unit was of the value and utility and in the condition and repair required by the terms hereof immediately prior to such proposed substitution; provided that (i) Lessor shall have received evidence, whether through an inspection or such other evidence as it may reasonably require, that any unit proposed to be substituted hereunder for a Unit has at least the same value, utility and remaining useful

life, and is in as good operating condition, as such Unit; (ii) such substituted unit is conveyed or caused to be conveyed to Lessor, free and clear of all liens; (iii) Lessor conveys to Lessee title to all Units for which replacement Units are substituted, free and clear of all liens created by, under or through Lessor, (iii) Lessee furnishes to Lessor with respect to such unit to be substituted a full warranty bill of sale with respect to such Unit; (iv) Lessee duly executes and delivers to Lessor a revised Schedule A to the Lease reflecting Specifications for the substitute units, and a Certificate evidencing Lessee's unconditional acceptance of the substitute units for all purposes under the Lease; (v) Lessee causes the units to be marked as provided in §5 hereof; (vi) Lessee provides such other documents or instruments as Lessor may reasonably request; (vii) Lessor shall be satisfied that Lessor is fully indemnified against any adverse tax consequence or risk associated with such substitution under the indemnity in §9 hereof; and (viii) if requested by Lessor, Lessee shall provide Lessor with an opinion of tax counsel chosen by Lessor and reasonably acceptable to Lessee that such substitution does not have materially adverse tax consequences to Lessor.

SECTION 3. Miscellaneous. This shall be construed as an amendment and as supplemental to the Lease and shall form a part thereof, and, except as amended and supplemented herein, the Lease is hereby incorporated by reference herein and is hereby ratified, approved and confirmed. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN; PROVIDED, HOWEVER, THAT THE PARTIES SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY 49 U.S.C. § 11303. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered is an original, but all such counterparts shall together constitute but one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have executed or caused this LEASE AMENDMENT NO. 1 to be executed as of the date first above written.

THE DOW CHEMICAL COMPANY

By: H. Kahn

EPP
for

Name:

[Signature]

Title: Assistant Treasurer

BA LEASING & CAPITAL CORPORATION

By:

[Signature]

Name:

Cheryl S. Emerson

Title:

Assistant Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On this 28th day of February, 1996, before me, the undersigned, a Notary Public in and for said County, personally appeared CHERYL J. EMERSON, known to me (or proved to me on the basis of satisfactory evidence) to be the ASSISTANT VICE PRESIDENT of BA Leasing & Capital Corporation, the Corporation that executed the within and foregoing instrument, and known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument on behalf of the Corporation therein named and acknowledged to me that such Corporation executed the same pursuant to its By-laws or a resolution of its board of Directors, and was his free act and deed.

WITNESS my hand and official seal

Yvette Montalvo
Notary Public



STATE OF MICHIGAN)
) ss.
COUNTY OF MIDLAND)

On this 28th day of February, 1996, before me, the undersigned, a Notary Public in and for said County, personally appeared Henry Kahn, known to me (or proved to me on the basis of satisfactory evidence) to be the Ass't. Treasurer of The Dow Chemical Company, the Corporation that executed the within and foregoing instrument, and known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument on behalf of the Corporation therein named and acknowledged to me that such Corporation executed the same pursuant to its By-laws or a resolution of its board of Directors, and was his free act and deed.

WITNESS my hand and official seal.

Patricia A. Bullock
Notary Public

PATRICIA A. BULLOCK
Notary Public, Midland County, Michigan
My Commission Expires: August 10, 1996

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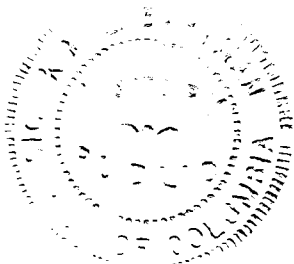
District of Columbia)
)
City of Washington) ss.

On this 10th day of October, 1996, before me personally appeared ROBERT W. ALVORD, to me personally known, who being duly sworn, hereby certifies that the attached "Lease Amendment No. 1" dated as of February 29, 1996, between The Dow Chemical Company, Lessee, and BA Leasing & Capital Corporation, Lessor, is a true and complete copy of the original thereof.



ROBERT W. ALVORD

Subscribed and sworn to before me this 10th day of October, 1996.


NOTARY PUBLIC

My Commission expires: 3-31-2000